

OGC HAS REVIEWED.

Approved For Release 2001/08/31 : CIA-RDP80-01370R000200160007-6

1061-1280  
OGC 60-1337

CONFIDENTIAL

4 OCT 1960

MEMORANDUM FOR: Chief, Fiscal Division

SUBJECT : Health Insurance for Contract Employees  
Paid from Vouchered Funds

REFERENCE : Memorandum to Deputy Director (Support)  
and Deputy Director (Plans) from  
Director of Personnel, dated 8 June 1960.  
Subject: "Health Insurance Plan for  
Contract Employees"

1. Reference authorizes the extension of health insurance benefits to certain contract employees comparable to those authorized by the Federal Employees' Health Benefits Act of 1959 for appointed employees. It is understood that the provisions of reference are applicable to contract employees defined therein regardless of whether paid from confidential or vouchered funds.

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2. Reference charges the Office of the Comptroller with the responsibility for devising means for collecting premiums by payroll deductions where feasible or other means of collection and remittance through the Agency financial system where essential. Collection of premiums by payroll deductions presents no problem for those eligible contract employees paid from confidential funds. There is, however, a question as to the legality of effecting payroll deductions from the salary of contract employees paid from vouchered funds. Based upon our understanding that with respect to disbursements of vouchered funds we are bound by provisions of law which prohibit payroll deductions other than those authorized by statute, payroll deductions will not be made for health insurance for contract employees paid from such funds.

3. In view of the foregoing, the Fiscal Division will pay to GEHA only the Agency's share of premium expense for those eligible contract employees paid from vouchered funds.

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The employees' shares must be paid directly to GEHA by the individuals. In the event an employee fails to pay his share of premiums to GEHA, thereby causing his insurance to lapse, the matching Agency contributions held by GEHA for such employees shall be returned to the Fiscal Division and treated as a refund to the appropriation.

[REDACTED]

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**Deputy Comptroller**

**CONCUR:**

/s/ Emmett D. Echols

12 OCT 1960

**Director of Personnel**

**Date**

[REDACTED]

14 OCT 1960

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*for* **General Counsel**

**Date**

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